



Vol. 2

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BPA asks FERC to accept Grid West features

On April 29, BPA asked the Federal Energy Regulatory Commission whether it will accept key features of Grid West designed to meet Northwest needs and protect existing rights. We asked for a response by July 1.

This September, BPA will decide whether to commit two years of funding for further Grid West development or pursue the TIG approach. Before we make this decision, we need to have a pretty clear idea whether Grid West will work for BPA and for the region.

Grid West would operate under FERC jurisdiction, but it would not be an RTO. It would not fulfill all of the criteria in FERC's Order 2000 or its proposed Standard Market Design. FERC commissioners have increasingly recognized the unique needs and character of the Northwest's power system, so we asked FERC to formally clarify its support for:

- preserving existing contractual arrangements,
- minimizing cost shifts,
- preserving existing non-jurisdictional status,
- BPA's own rights to withdraw from Grid West to fulfill our legal obligations.

PacifiCorp and Idaho Power Company joined us in the filing, seeking clarity that participating in Grid West would fulfill their responsibilities as FERC-jurisdictional utilities.

The 70-page Request for a Declaratory Order<

http://www.bpa.gov/corporate/business/restructuring/Docs/2005/FERC_Petition_4.28.05_Part_1.pdf>

and a press release

[<http://www.bpa.gov/corporate/BPAnews/2005/NewsRelease.cfm?ReleaseNo=627>](http://www.bpa.gov/corporate/BPAnews/2005/NewsRelease.cfm?ReleaseNo=627) are posted on our web site. (*Steve Larson, Todd Miller*)

Grid West schedules design seminars

Grid West is offering a free seminar on its proposed market and operational design on May 25-26 at the Airport Sheraton Hotel in Portland. The Transmission Services Liaison Group will explain its conceptual framework for implementing Grid West's basic features. Before the seminar, the TSLG will post 20 draft white papers and four background papers with detailed information. An overview is posted on the Grid West website at

[<http://gridwest.org/Doc/TSLG_MarketOverview_DraftMar72005.pdf>](http://gridwest.org/Doc/TSLG_MarketOverview_DraftMar72005.pdf) The white paper objectives are to describe Grid West well enough to develop an initial cost-benefit estimate and to get enough understanding to get to Decision Point #2. (*Eric King*)

Two more Grid West seminars are also slated:

- Pricing: June 15. (*Joe Rogers*)
- Cost-benefit analysis: July 20. (*Janelle Schmidt*)

Council, BPA seek Resource Adequacy involvement

Northwest utilities, utility associations and regulators should expect calls this spring in which the Northwest Power and Conservation Council and BPA will ask them to participate in a reinvigorated Council Power Supply Adequacy Forum. The goal is to create resource adequacy metrics, targets and a mechanism to ensure that Northwest load-serving entities contribute their fair share toward achieving adequate supplies. BPA and the Council are seeking active members for a technical committee to identify possible metrics and options for targets, and a steering committee to consider the recommendations and seek consensus on metric(s), target(s) and mechanism. (*Mary Johannis*)

Transmission Adequacy Committee gets to work

The Northwest Power Pool's Regional Transmission Adequacy Technical Workgroup is actively developing guidelines for transmission adequacy. The group has discussed benchmarking for N-2 (load service) and N-1-1 (robustness) outage related issues on the Snohomish system, Olympic Peninsula, Southern Oregon Coast, PacifiCorp's Southern Oregon, Puget Sound, Eugene and Redmond. In late May, the group will review follow-up analysis and start shaping draft guidelines. A Steering Committee meeting will review recommendations and information in June. Materials are available through the NWPP Web site at <http://www.nwpp.org> under 'TA' and 'Meeting Notes'. (*Melanie Jackson*)

Grid West considers near-term activities

At a recent Regional Representatives Group meeting, Idaho Power representatives shared concepts for introducing some Grid West services during its two-year developmental stage. The RRG commissioned two workgroups to explore the concepts. Early activities could include expansion planning, use of a single Northwest Oasis, single queue management for the region, and/or flow-based available transmission capability calculation. Grid West also assigned a legal committee to check out what bylaws amendments might be needed to let it begin offering near-term services. The RRG is expected to discuss the ideas further at subsequent meetings. (*Syd Berwager*)

Grid West nets 86 members

Grid West received membership applications from 86 organizations in its first open membership season, which closed April 29. Of these, 42 applied for immediate active membership, and 44 requested pre-qualification for later membership. BPA is among the 44 who requested declaratory status. That means BPA is not a member of Grid West, but can pay dues and join at any time.

Grid West is actively seeking nominees for its developmental board now through June 6. Interested parties should e-mail their resume to Larry Klock at lklock@russellreynolds.com [<mailto:lklock@russellreynolds.com>](mailto:lklock@russellreynolds.com) (*Tara Exe*)

Govs keep close eye on grid efforts

CREPC, the Committee on Regional Electric Power Cooperation, a convocation of state utility regulators that follows power issues for the Western Governors' Association, is actively following

Northwest grid issues. At an April meeting, members reviewed transmission planning and interconnection on regional and sub-regional efforts and discussed modeling, the needs and existing uses of the grid such as available transmission capability, conditional firm transmission products and existing flows. For details, see WGA web site at:

<http://www.westgov.org/wieb/site/subpages/crepcpage/index.htm>

(Anne Morrow)

TIG stands for grid “improvements”

With zero fanfare, the loose affiliation of utilities formerly known as the Transmission Issues Group has changed its name to the Transmission *Improvements* Group. Either way, it’s generally called “TIG.” The switch was made when the group agreed to develop formal proposals by Aug. 1 that would improve Northwest grid management without creating a new entity that would come under the jurisdiction of the Federal Energy Regulatory Commission. For details, see: http://www.tig-nw.org/TIG%20Press%20Release%203_24_05.pdf (Syd Berwager)

Fact check

There has been some confusion regarding numbers that BPA published in a recent Keeping Current and how they compare to Western Electricity Coordinating Council forecasts. We said that at current demand growth (12 percent) and transmission investment (3 percent), the grid will become increasingly strained. These figures come from the Northwest Power Pool’s regional load growth forecast *for the next 10 years*. Some have suggested the demand figure is too high because they apparently thought it was an annual number, and cited the WECC annual load growth forecast of 1.8 percent. Over 10 years, the WECC forecast is about 18 percent load growth, which is actually somewhat higher than the NWPP forecast of 12 percent.

Northwest One-Utility Grid News Purpose Statement

The Northwest transmission system is becoming increasingly constrained; there is broad regional agreement that the status quo needs to be improved. BPA believes it is important for the region to pick a path - soon - and move from discussion toward action. Two competing approaches are being developed: the Transmission Improvements Group would work within existing institutions, while Grid West would create a new transmission services provider under FERC jurisdiction. BPA is actively participating in both efforts through this summer. This September, BPA will decide to move forward with one of these approaches. Our decision will be driven by what we believe is in the collective best interest of the region and will follow a formal BPA request for public comments. These e-mails, issued biweekly now through September, are intended to keep any and all interested parties apprised of involvement opportunities and BPA’s perspective. To receive subsequent editions, go to <http://www.bpa.gov/corporate/business/restructuring/> and sign up for “Allen’s bi-weekly e-mail.”